MANAGEMENT THROUGH ACCOUNTABILITY

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NAVAL POSTGRADUATE SCHOOL
Monterey, California

THESIS

MANAGEMENT THROUGH
ACCOUNTABILITY

by

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December, 1975

Thesis Advisor: J. W. Creighton

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UNCLASSIFIED

SECURITY CLASSIFICATION OF THIS PAGE (When Data Entered)

REPORT DOCUMENTATION PAGE

READ INSTRUCTIONS BEFORE COMPLETING FORM

1. REPORT NUMBER

2. GOVT ACCESSION NO.

3. RECIPIENT'S CATALOG NUMBER

4. TITLE (and Subtitle)

Management Through Accountability

5. TYPE OF REPORT & PERIOD COVERED

Master's Thesis; December, 1975

6. PERFORMING ORG. REPORT NUMBER

7. AUTHOR(s)

Mahmoud Torabi

8. CONTRACT OR GRANT NUMBER(s)

9. PERFORMING ORGANIZATION NAME AND ADDRESS

Naval Postgraduate School
Monterey, California 93940

10. PROGRAM ELEMENT, PROJECT, TASK AREA & WORK UNIT NUMBERS

11. CONTROLLING OFFICE NAME AND ADDRESS

Naval Postgraduate School
Monterey, California 93940

12. REPORT DATE

December, 1975

13. NUMBER OF PAGES

79

14. MONITORING AGENCY NAME & ADDRESS(if different from Controlling Office)

Naval Postgraduate School
Monterey, California 93940

15. SECURITY CLASS. (of this report)

Unclassified

15a. DECLASSIFICATION/DOWNGRADING SCHEDULE

16. DISTRIBUTION STATEMENT (of this Report)

Approved for public release; distribution unlimited.

17. DISTRIBUTION STATEMENT (of the abstract entered in Block 20, if different from Report)

18. SUPPLEMENTARY NOTES

19. KEY WORDS (Continue on reverse side if necessary and identify by block number)

Accountability
Authority
Communication
Delegation
Motivation
Management by Objectives
Committment
Accomplishment

20. ABSTRACT (Continue on reverse side if necessary and identify by block number)

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The thesis credits "Management by Objectives" for much of the background of "Management Through Accountability", but advacnes the premise that accountability toward reaching objectives is the foundation upon which all management systems are built.

Management Through

Accountability

by

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Submitted in partial fulfillment of the
requirements for the degree of

MASTER OF SCIENCE IN MANAGEMENT

from the

NAVAL POSTGRADUATE SCHOOL
December, 1975

ABSTRACT

This thesis examines accountability as it relates to the manager's job. It relates accountability to various management theories and to the many elements which cause members of an organization to be accountable.

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I. INTRODUCTION

A. STATEMENT OF PURPOSE

Ever since business emerged from the one-man entrepreneur stage, it has been necessary to achieve results through delegated authority; that is, through managers, whether chief executives or first line supervisor.[1]

Stein in an unpublished study, interviewed over 300 managers about their experience with Management By Objectives, a continual process whereby superior and subordinate managers of a company periodically identify its common goals, define each individual's major areas of responsibility in terms of results expected of him, and use these agreed-upon measures as guides for operating each department and for assessing the contribution of each manager to the work of the entire company. He found that about half of those interviewed had some negative feeling about this approach. Upon analysing their specific criticism, he discovered that their complaints actually dealt with deficiences in basic managerial ability, such as failure to keep subordinates informed of both the manager's and the organization's plans, and failure to delegate responsibility.[2]

After studying some books and articles about Management By Objectives, the author reached the conclusion that most of the authors assume that when managers delegate responsibility, and superior and subordinate have jointly set their goals, subordinates "(a) work hard to meet them. (b) are pushed internally by reason of commitment, and (c) make themselves responsible to their organizations for doing so."[3] These statements ignore the fact that, if you don't provide the necessary management skill to carry out a subordinate's goal-setting and decision-making responsibilities,

you have left him susceptible to a strong element of frustration in his job. A most important concept in this regard is that subordinates must feel a sense of accountability for results before they are turned entirely loose. Schleh states:[4]

A manager may assume that if he delegates responsibility for a result, accomplishment will automatically be assumed. This is not true, the man concerned must also feel a sense of accountability for the result.

"Without the delegation of responsibility by the superior to his subordinate, and accountability from subordinate to his superior, there can be no organization. And without organization there can be no coordination toward, doing something.........however simple the task may be."[5]

The author believes that accountability has not been understood by the majority of professional managers. Nor do treatments on accountability by management writers show that enough emphasis is placed on the understanding between superior and subordinate on who is accountable for what. Review of the publications included in the bibliography of this thesis indicate that management writers have more or less assumed an understanding of accountability by superior and subordinate alike.

This thesis will treat the subject of accountability with the following specific objectives:

1. To attempt to provide clear understanding of accountability and necessary elements involved in helping subordinates to be accountable.
2. Discuss accountability as it relates to some of the practical problems encountered in attempts to implement Management By Objective programs in organizations.

II. ACCOUNTABILITY

A. WHAT IS ACCOUNTABILITY?

It cannot be emphasized too often that the only reason for being on a payroll is to contribute to company objectives. In judging the value of a subordinate, one should not be swayed by old school ties and fraternities, club memberships, faultless attire, glibness, wit and charm, impressive vocabulary, long years of service, long hours (particularly without results), such paper qualifications as academic degrees, and other evidences of activity only. The man must be getting something done that directly or indirectly is moving the company toward its goal, without this, the rest is window dressing.

And what of accountability for results? By "accountability" we mean the hard, cold understanding that a man does his job or gets out of it. This policy is in no way harsh or unjust if these self-evident conditions have been met. Does he have a clear-cut position description which spells out the results he must achieve? Do you know what his personal goals and ambitions are? Has he been told about your goals for the company (or department) and, to some extent, your own personal goals? Does he have a definite part in determining or revising company goals, particularly in his own area-marketing, production, finance, or the like? Have you taken the time to become well acquainted with him personally? Have you told him privately just what you feel his strengths and weaknesses are, with emphasis on his strengths? In short, does he know the what, where, when, who, how, and why of his job? And finally, does he receive all the operating data he needs--on costs, scrap, turnover, absenteeism, and so on? If you can answer yes to all these questions.

you are not only justified in holding him accountable for real accomplishment but obligated to do so.[6]

Basically, accountability means that if an objective is delegated to man, and accepted by him after free negotiation, he must feel a sense of obligation for its accomplishment. If it is accomplished, he personally, will be given full credit for it, if it is not, he knows that he will get the discredit. Note the implication of the word "feel". Accountability is meaningless until it gets down to the personal feelings of the individual. The man must feel that it applies to him and no one else.[7]

The temptation to advise others is strong, especially where there is no responsibility for results. All you have to do is mention you have a bad cold, and immediately you will receive any number of prescriptions for its cure from amateur doctors. Happily, most of these remedies are along the line of, "take a big dollop of scotch in hot water mixed with honey, and go to bed under four blankets." Since you are perfectly free to disregard the advices, you are not likely to get into trouble.[8] It is astonishing how much more careful people are about giving advice when they know that they will be personally called on the carpet if their advice is not effective. Accountability makes the people responsible, (and responsibility brings out the best in people), it makes them most effective, makes them use their brains. "Accountability means the moral compulsion felt by a subordinate to accomplish his assigned duties. Although agreement is usually implied rather than discussed, by accepting an assignment a subordinate in effect gives his promise to do his best in carrying out his duties. Having taken a job, he is morally bound to complete it. He can be held accountable for results. Accountability then is primarily an attitude of the person to whom duties

are delegated. Dependability rests on the sense of accountability, and without personal dependability our cooperative business enterprise, would collapse.[9]

In a simplified way you may say that the major job of a manager is to develop sense of accountability in subordinate for the section of expected company results assigned to him. In essence, the man must assume the obligation to get these results, he must accept accountability for both positive and negative results; otherwise responsibility merely becomes a word. Accountability is the very lifeblood of an organization. It is generally the basis on which a manager must build in order to stimulate his people to sound accomplishment.[10]

It is worth noting that accountability is a state of compulsion toward accomplishment of objectives. The degree of acountability of a person is not judged in evaluating performance. Rather, performance is evaluated against the meeting of objectives. Performance acceptance standards logically vary between individuals. It is not uncommon for an individual with long experience and high skill to perform above the level of a man with lesser experience and skill, and yet have less of a sense of accountability.

B. CREATION OF ACCOUNTABILITY

The moment one accepts a loan from a bank he incurs an obligation to repay the money that he has borrowed. Likewise, when a subordinate accepts responsiblity and the authority necessary to carry it out, he incurs an obligation, a duty to perform the assigned work and to properly utilize the authority delegated to him. The creation of such on obligation on the part of a subordinate, when viewed as an organizational process is defined as the creation of accountability. The subordinate is

accountable to his superior for the proper exercise of authority and the performance of assigned responsibilities. An easy way to differentiate between the concept of responsibility and accountability is to remember that a subordinate is responsible for the completion of work assigned to him and is accountable to his superior for the satisfactory performance of that work.[11]

In general, delegation for responsibility is a downward process from a manager to a subordinate. The manager is stating what he wants the subordinate to accomplish. Accountability indicates the sense of obligation for accomplishment of the results going upward from the subordinate to superior. It is a different process (see Figure 1). To be most effective, however, the procedure for establishing accountability should set up at the same time as the original delegation is established. This is a point that is often lost sight of.[12]

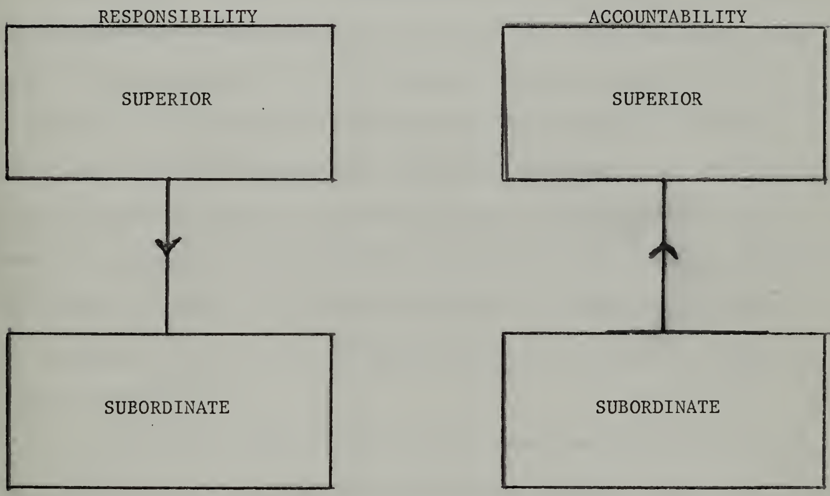
In managing him to insure achievement of objectives, we should make sure, first, that he understands the responsibilities thoroughly, second, that he is personally capable of fulfilling the obligation, and third, that sufficient organization rights have been granted. If failure of accomplishment then ensues, answerability can logically be imposed upon the delegate. The manager must determine if the results effected constitute an acceptable accomplishment of organization goal.[13]

The conventional tools of management have not been very effective in dealing with questions of responsibility and accountability in organizations. Job descriptions, for example, are generally broad statements of what an individual is expected to do. They do not adequately describe the nature of the interface between one managerial position and another. Nor can they keep up with the requirement of a dynamic and rapidly

Figure 1

RESPONSIBILITY-ACCOUNTABILITY

FLOW



SOURCE: Edward C. Schleh, Management By Results. McGraw-Hill Company, 1961- p. 64

changing environment. The same limitations apply to organization charts. Although they are excellent tools for delineating the formal hierarchical structure, or the "pecking order" of who reports to whom they do not tell the full story. They do not show the complexity of the interfaces and work relationships between managerial positions. Like job descriptions, their usefulness is generally limited to relatively stable organizational environments.[14]

Peter Drucker States: The business enterprize of today is no longer an organization in which there are a handful of "bosses" at the top who make all the decisions while the "workers" carry out orders. It is primarily an organization of professionals with highly specialized knowledge exercising autonomous, responsible judgement. And every one of them--whether manager or individual expert contributer--constantly makes truly entrepreneurial decisions which effect the economic characteristics and risks of the entire enterprise. He makes them not only by "delegation from above" but inevitably in the performance of his own job and work.[15]

A professionally managed company aims to perform only the work that will make a definite, recognizable contribution toward reaching its business objectives, to perform this work in the simplest way possible and to do it at the lowest level of the organization at which it can be done effectively and with full accountability.[16]

One way to reach this objective is to clarify the question of responsibility and accountability. The Managerial Responsibility Guide suggested by Melcher may be an effective tool for this purpose.

Melcher States: One of the primary problems impeding the process of role and relationship resolution is that of developing a set of terms

that describe the various responsibility relationships in a way that is meaningful and acceptable to the group. Although there are many responsibility relationship terms that could be developed for a specific organization, the following seven definitions seem to meet the communication requirements of most organizations, and, along with the defined functions, serve as a common focal point for the work group:

A. General Responsibility - The individual guides and directs the execution of the function through the person delegated the operating responsibility.

B. Operating Responsibility - The individual is directly resonsible for the execution of the function.

C. Specific Responsibility - The individual is responsible for executing a specific or limited portion of the function.

D. Must be Consulted - The Individual - If the decision affects his area, he must be called upon before any decision is made or approval is granted, to render advice of relative information, but not to make the decision or grant approval.

E. May be Consulted - The individual may be called upon to related information, render advice, or make recomendations.

F. Must be Notified - The individual must be notified of action that has been taken.

G. Must Approve - The individual (other than persons holding general and operating responsiblity), must approve or disapprove.

Melcher's Managerial Responsibility Guide, modified by Anthony Raia, is illustrated in Figure 2. The major activities and tasks required to achieve an objective or a set of objectives are listed on the left side of a matrix. The names of individuals (or management positions) who

Figure 2
A Responsibility Matrix to Reach
The Objective of Increasing Sales Volume

Objective:

To increase sales volume by 10% by the end of next year.

Major Activities/ Task	President	V. P. Marketing	Sales Manager	V. P. Manufacturing	Production Manager	Engineering	Quality Controls	Rand D	V. P. Finance	Personnel Manager	Regional Sales Manager	
1. Increase the rate of delivery of products X and Y.		A B	C	D	D	F	F			F		
2. Revise the price structure of existing products.	A	B C	D						F		F	
3. Upgrade the effectiveness of sales personnel in the northeast and southern regions.	A		B						D	C		
4. Release the new product.	G	A F		D	D	C		B				

Responsibility Code

A = General Responsibility

B = Operating Responsibility

C = Specific Responsibility

D = Must be Consulted

E = May be Consulted

F = Must be Notified

G = Must Approve.

SOURCE: Anthony Raia, Managing By Objectives. Scott, Foresman and Co., 1974- p. 77

are in some way concerned with a given activity or task are entered across the top of the matrix. The coded relationship that each manager or position has with regard to an activity or task is then determined at the appropriate intercept.[18]

Figure 2 illustrates how a responsibility matrix might be used to show one of the objectives of a marketing vice-president. Similar charts can be developed for the other objectives of any departments in an organization. This chart is just a guide toward clarifying roles and responsibilities around group and individual objectives. It can be used in writing job descriptions from objectives Managerial responsibility guides are effective tools, but more specific guide-lines for making sure that employee understand responsibilities throughly, are needed.

J. D. Batten[19] illustrates the understanding of responsibility. For many years the caliber of naval and merchant marine captains was measured by their ability to run a taut ship. He listed the essentials of the taut ship as they apply to any manager's job.

All employees should understand:

WHAT: The job is all about;
is right- or wrong;
should be done;
shouldn't be done.

WHERE: The company has been;
the company is going;
new markets, products, and processes are coming from;
the work should be done
when goals must be met.

WHO: Works for whom;

does what for whom;

should be contacted;

should be informed.

How best to do the job.

WHY: The company is in business;

the department is in operation;

the job is required;

the present method is used. (are you doing the right thing or just doing the thing right.)

Plus many other what's, where's, when's, how's, and why's as appropriate.

The following case by Kieth Louden[20] illustrates the significance of some of the above suggestions, particularly the difficulty confronting managers in working with employees so that they understand what business they are really in.

"In one company the paint department, though not very large, was very important. Being highly automated, it did not require a great many people, and the managerial staff consisted of the foreman and three shift foreman.

When the foreman was asked what his business was, he replied that he was in the paint-mixing business. After some discussion about the purpose of his mixing paints, he finally concluded that he was not in the paint-mixing business at all, but in the business of providing protective and decorative coating.

This change in his concept of his job stimulated him to launch a program of improving the quality of the products and services his group renderded. So seriously did he take his responsibility that some of

the supporting elements, such as the director for research and the chief chemist, complained about the volume of work the foreman wanted to perform to find new and better coatings."

This case illustrates the advantages of clarifying the job and its relations within the organization.

Batten states that a man simply cannot fulfill his potential if he lacks worthwhile personal jobs. Nor can he make his optimum contribution to his company's goals if he fails to know them and identify his own with them. When he does not know them he fills his days with bustle and activity for the sake of a pay check.[21]

C. AUTHORITY

Fayol defined authority as "the right to give orders and the power to exact obedience". He also offered an important distinction between a manager's official authority deriving from his position and his personal authority driving from his intelligence, knowledge, skills, experience, and abilities. Allen too, employs the concepts of rights and powers in his definition: "the sum of the powers and rights entrusted to make possible the performance of the work delegated."[22] This definition adds the implication that authority is related to the nature and amount of responsibility or work delegated. This element of trust is also important, for it implies the executive's accountability for results in the use of the rights and power conferred upon him.

Sometimes overlooked is that the most essential use of managerial authority is to give the manager the means by which he can create and maintain an environment for performance. By having the authority either to specify or to work out meaningful goals with subordinates, to give them the power in turn to accomplish these goals, and the means and

assistance to do so, to give them training and understanding of their role in the enterprise and of their relationships to others, and to reward them through promotion, pay increase, and improved status, the manager is truly using authority in a creative way. Authority is not a social invention to give people power for prestige or authoritarian conduct, but an instrument to place in an organizational role the means of doing something creative. It behooves the intelligent managers never to foreget this simple face.[23]

Barnard put it this way:

"Authority is the character of a communication (order) in a formal organization by virtue of which it is accepted by a contributor to or 'member' of the organization as governing....or determining what he does or is not to do so far as the organization is concerned."[24]

Tannenbaum says:

The real source of the authority possessed by an individual lies in the acceptance of its exercise by those who are subject to it. It is the subordinates of an individual who determined the authority which he may yield.[25]

Acceptance of authority is in effect a key clause in the spychological contract in terms of which each new member accepts membership and enters the organization. The notion of a psychological contract implies that the individual has a variety of expectations of the organization and that the organization has a variety of expectations of him. The expectations not only cover how much work is to be performed for how much pay, but also involve the whole pattern of rights, privileges, and obligations between worker and organization.[26]

What brings about acceptance by a subordinate? Robert Guest's study of organization change led him to conclude that, in fact, there is

a two-way or circular process of influence taking place. It is not a matter of influence being exerted just downward. Not attitudes of the subordinates but actual performance by the subordinates whether the subordinate will carry out orders. The subordinate must find that his wishes and interests are being transmitted upward by his immediate supervisor, as a condition of acceptance by the subordinate of downward flowing orders.[27]

Authority in management therefore is best defined as the right to guide or direct the actions of others and to exact from them responses which are appropriate to the attainment of the organization's purposes rather than being an absolute power by which an executive can influence others to behave as he wishes. The person having authority, and the person subject to it must have an understanding as to the limits within which it can be used. The right to exact action from others must be understood if conflict and misunderstanding are to be minimized.[28]

D. TO WHOM SHOULD SUBORDINATES BE ACCOUNTABLE?

Perhaps the most widely known guide governing accountability relationships is that of "single accountability". Each person should be answerable to only one immediate superior--one boss to each employee. If this relationship is effected, the result should be better coordination and understanding of what is required, and improved discipline. If, on the contrary, a man has two or more bosses, the liklihood of contradictory orders is increased.[29]

A second reason for the adoption of this guide of single accountability is to promote coordination. The chances for consistent and coordinated action throughout the firm are enhanced if orders are issued

from a single source and if accountability is exacted to that same source, obviously this emphasizes the importance of the manager in integrating the various functions.[30]

We have to be careful about the above statements. To be accountable to the immediate superior does not mean that the employee must do everything that pleases the superior with blind loyalty. The advantage of the concept of accountability is that the employees will have autonomy, and freedom to make decisions (otherwise they are not accountable for their actions). Therefore, they have to think, and use their initive before any action. In better words, the difference is that, they are no longer trying to get rid of a job or finish a day for the sake of salary, but rather they behave like a boss in their area of responsibility, because they know later they will be accountable for their actions.

According to Albanese[31] the accountability of managers, involves more than accountability to their immediate superiors. Important as that is and as basic as it is to the manager's job, managerial accountability needs to be viewed more broadly. Every manager is accountable to a variety of forces and people. Managers have legal, social, and moral responsibilities that arise out of their positions. First, managers are accountable to themselves, they have an obligation to use their managerial positions constructively and in ways that develop their capacity to help people accomplish goals efficiently and effectively. Second, all managers have people within their organization, other than their immediate superiors, to whom they are accountable, if not formally, then by informal agreement. Thus, managers are accountable to peers, to specialists who assist them in performing their job, and to

the entire organization for competent performance. Finally, managers are accountable to forces outside the organization of which they are an immediate part.

The modern manager realizes that he and his boss have meaningful object for their loyalties, in keeping with the provoiusly stated concept that total responsibility is vested in each manager. He realizes that, the greatest responsibility of a manager is not to his boss but to the company. His performance, and the criteria by which it is judged, should be oriented to company goals. If everyone in management has this orientation, there can be no division or conflict in the manager's loyalty.[32]

E. TO WHAT EXTENT SHOULD SUBORDINATES BE ACCOUNTABLE FOR RESULTS?

It is often erroneously assumed that a sound definition of responsibility within a company means that accomplishment of a result is assigned to one man and that he alone will effect the accomplishment of that result. This is the doctrine of "unique accountability". In actual practice this kind of situation almost never occurs. Almost all enterprise is really cooperative enterprise. In practice you almost always find that two or more people actually affect a result. If a man has a strong influence on a result, he must be held accountable for it, even though other people may also have some effect on that result. This rule is merely a recognition of the practicalities of business operations. No one ever has "full" authority, nor complete control of the result for which he is held accountable.[33] However it must be the goal of any manager to provide a way to evaluate the proper performance of his managerial functions. It must be recognized that a person may only be held accountable provided: (a) he knows what

he is expected to achieve and also that it is achievable; (b) he knows what he is actually achieving; (c) it is within his personal control to regulate what is happening. When all these conditions are present simultaneously, it is reasonable to hold the person in question responsible for his position. If all of the provisos are not observed, then it may be unjust and ineffective to hold him responsible, it may well lead to alibis and make impossible the desire control.[34] Another point which must be considered is that items which cannot be regulated by the person concerned should be segregated from those which can.[35] For example in the case of foreman, controllable items are: labour efficiency, material usage, overtime, out put. Non--controllable items are: taxes, administration costs, depreciation, executive salaries, etc.

In general to be accountable for performance, the manager must have autonomy. One cannot be accountable for what one has no authority over and cannot control.

F. HOW TO DEFINE THE RESULTS DESIRED (SETTING OBJECTIVES)

The principle that an organization should know clearly what it is trying to do is obviously a sound one. Study of the published objectives of most large organizations, however, leaves considerable doubt that the application of the principle has resulted in any significant addition to usable organizational knowledge. Take for example, the following statement from the objectives of a nationally known organization.[36]

"The basic objectives of (blank) company is to operate a vigrous, growing, diversified, and profitable business in the balanced best interest of its customers, employees, suppliers, and the economy at large by generating earnings and profits at levels which will assure payment to the share holders of dividents sufficient to warrant their

continued investment in the company and at the same time sufficient for retention of funds in the business to assure growth and improvement."

To explain the above objectives, sentences from McNairns article are quoted.

"There is an ancient Chinese saying that it is easier to draw a goblin than a horse. A drawing of a goblin can be whatever the artist wishes. There is no real-life goblin to measure against and one cannot be held accountable for not drawing a proper goblin. A drawing of a horse, however, can be measured against the real thing. The artist can thus be judged for drawing or not drawing a proper horse. After reading the objectives of a large number of organizations, it is not difficult to conclude that there has been a tendency to draw goblins rather than horses."[37]

Professor Wendell Johnson, the widely known psychologist and semantist, has stated: "There cannot be precise answer to a vague question. It would appear logically parallel to state. There cannot be a precise accomplishment of a vague objective."[38] The above statement clearly indicates why subordinates can avoid responsibility by taking advantage of semantics to modl objectives to fit their own wishes.

The setting of overall objectives is the real test of top management's abilities. Should this group be indecisive, flounder confusedly, or set inadequate or erroneous objectives, its errors will be compounded as the whole organization focuses on activities aimed at goals that were wrong in the first place.[39]

To be meaningful, objectives should be specific at all levels and also follow the organization's structure so that the scope of objective

is broader at the top and narrower at each of the lower levels. The result of this structuring of objectives should be a closely related chain of objectives which reflects accurately the degree of responsibility at each level.

This chain of objectives can also faciliate an awareness by the subordinate of what his superior expects of him and at the same time, inform the subordinate of his bosses' objectives. This clarification of organizational objective structure makes the task of formulating objectives at all levels a considerably less complicated and a more straight forward function.

Newman and Summer state:[40] "The process of assigning a part of a major mission to a particular department and then further subdividing the assignment among sections and individuals, creates a heirarchy of objectives. The goals of each sub-unit contribute to the aims of the larger unit of which it is a part."

Objectives thus form the basis for determining what activities should be performed and also help establish criterial for evaluating how well they are being performed. Therefore the setting of objective is the key to effective management.[41]

In setting sound objectives for the organization and in turn each individual unit, several principles should be followed:

1. Objectives should be related to the needs of the business and should support organizational goals.
2. Objectives should be clear, concise, and realistic.
3. Objectives should be measurable and quantified whenever possible.
4. Objectives should be guides to action: they should state what to achieve, not how to achieve it.

5. Objectives should be ambitious enough to offer a challenge so that a man can be proud when he achieves them.

6. Objectives should take into consideration internal and external constraints, that is, factors not subject to control by the man responsible for results.

Setting objectives is a joint undertaking, they should be mutually agreed upon by the responsible individual and his superior.[42]

Objectives that are worth the name do exactly what most people dislike doing: they clearly commit an organization to a relatively few courses of action to minimize doubt about the expected outcome. It is surprising to see how different people interpret what may seem to be very simple, straightforward, and obvious statements of objectives. This is why objectives should be quantitative where possible. Objectives must be written to serve their ultimate function. Committing thought to paper helps force out all fluff and fuzziness normally associated with thoughts on a different subject, and it facilitates fruitful conversion and ultimate agreement on objectives.[43]

The lack of written objectives creates several problems. One of these is the lack of understanding of the objectives. If the objectives are going to serve their purpose, they must be understood.

Goals, when properly formulated and communicated, are the standard against which accountability for performance will be evaluated. There is no idea more important to managing than goals. Managing has no meaning without goals.[44]

G. MEASUREMENT OF THE CONTRIBUTION OF SUBORDINATES

The evaluation of individual contribution is a necessary and integral part of managerial roles.

As stated earlier, each employee in the organization should be held accountable only for those results that he can affect by his action or decisions and only to the extent that he can affect them. The question then arises as to how the extent to which an employee can affect results by actions within his own area of responsibility. In other words. how much difference can an employee make?

Gellerman states:[45] "The man whose performance is measured by results may be credited with other people's success or stigmatized for their failures, unless it can be shown that the results were his and his alone."

Assuming that the above statements are true and valid, if we attempt to trace step by step each individual's action and try to find out one hundred percent contribution from them, the controls will not pay for themselves. The solution obviously is not to look at subordinates as to whether they are busy or idle, because they may be doing many unnecessary things or they may spend too much time on some tasks.

In this regard Newman, Summer, and Warren[46] state that as soon as two or more people combine their efforts toward a common objective, division of work is necessary. The real question is how to divide up the total task. We probably don't want salesmen repairing punch presses, nor do we want all chiefs and no Indians."

Referring to the work which has been done by Reddin[47] most of the problems associated with the measurement of individuals contributions can be approached. He states that every necessary managerial position has effectiveness areas associated with it. They may not be written or even known, but they are always there. These are the general areas which define the true function of the position in the organization.

The process of indentifying them has cured numerous management ills simply because the true reason for each position is investigated, discussed, and ultimately agreed on by the manager himself and his superior.

Reddin suggests the following questions for examining and testing, specific effectiveness areas:[48]

1. What is the position's unique contribution?
2. Why is the position needed at all?
3. What would change if the position were eliminated?
4. What will change if I am highly effective in the position?
5. How would I know, with no one telling me, when I am performing effectively?
6. Where does asking, "why" lead?
7. What authority does the position really have?
8. What can the psoition most easily improve?
9. What do the job description and the organizationa manual say?
10. What is the biggest external change made that affected the position?
11. How do I spend my time? How would I like to spend it?
12. What would I be most likely to concentrate on over two or three years if I wanted to make the greatest improvement in my unit? In my superior's unit? In the organization as a whole?

The above questions are really asking what the job is? A good part of this thesis has been spent on the clarifying of the job of the individuals, this is because the author strongly believes that, this is the first and the most important step towards attaining accountability for performance.

Reddin[49] has also stated that once effectiveness areas are identified, they should satisfy the following ten tests which check on the adequacy of the effectiveness areas individually, collectively, and with respect to the associated positions.

Each effectiveness area should:

1. Represent output, not input.
2. Lead to associated objectives which are measurable.
3. Be an important part of the position.
4. Be within the actual limits of authority and responsibility.

Each effectivness areas as a whole should:

5. Represnt one-hundred percent of the outputs of the position.
6. Not be so many as to avoid delaing with the essence of the job or so few as to make planning difficult.

Effectiveness areas, with respect to the associated position, should:

7. Avoid overlaps.
8. Avoid underlaps.
9. Align vertically.
10. Align horizontally.

Reddin's[50] third and most important point suggests how to separate the effectiveness areas of the superior from those of his mangers and from those of his unit. Unit effectiveness areas are the full set of effectiveness areas for a superior's position and for all managers' position. These effectiveness areas can be broken down into:

1. Specific effectiveness areas of the superior.
2. Common effectiveness areas of the superior.
3. Specific effectiveness areas of managers.

4. Common effectiveness areas of managers.

The most important distiction to make is the difference between the specific effectiveness areas of the superior and those of the manager. This is important because if two people are responsible for the same things, one of them is not needed. The following questions could guide one in finding his effectiveness?

1. What is my unique contribution?
2. What is the biggest thing which could go wrong?
3. What do I or could I do that managers do not because:
    a. They do not have the ability or experience.
    b. They do not have the time.
    c. They do not have the information.
4. Why was my position created?

An ideal position must avoid overlap and underlap and seek effectiveness areas alignment. Overlap refers to the situation when two positions are responsible for the same thing and underlap when no position has been assigned a particular responsibility. Alignment is a condition of no overlap or underlap. These are illustrated in Figure 3. The distiction between job of superior and managers can be further developed and explained in later sections of this thesis.

Identifying effectiveness areas is a foundation for setting objectives. As Peter Drucker states:[51] "Objectives are needed in every area where performance and results directly and vitally affect the survival and prosperity of the business."

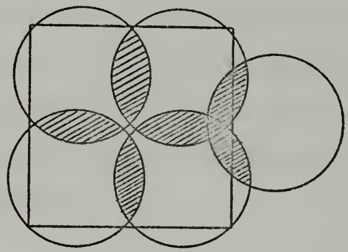
After clear statements of missions, duties, and responsiblities have been made, information systems to support accountability must be devised. The information systems should have the capability to identify

Figure 3

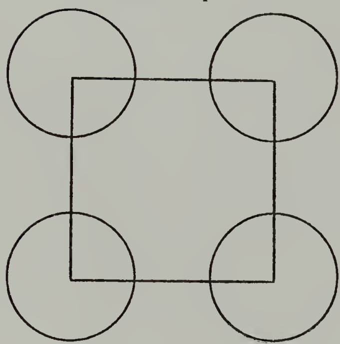
Illustration of Overlaping, Underlaping

and Aligned Effectiveness Areas

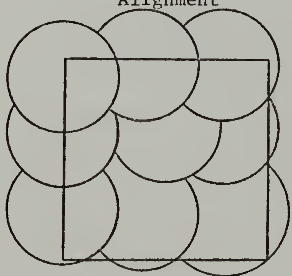
Overlap



Underlap



Alignment



Overlap - Underlap - Alignment

(The shaded overlap is duplication: The white space underlap is unassigned responsibility: alignment is best.)

SOURCE: W. J. Reddin, <u>Effective Management By Objectives</u>. McGraw-Hill Company. 1970- p.74

who is accountable for the achievement of each objective. They should enable the manager to know at all times the individual or unit responsible, thus providing accurate and unbiased information for the personnel appraisal function. The information system should provide for scheduled reporting at each level to avoid continual requests for special reports. Information systems will be discussed more extensively in a later section of this thesis.

III. NECESSARY CONDITIONS AND ELEMENTS INVOLVED IN DEVELOPING EMPLOYEE ACCOUNTABILITY

Prior parts of this thesis were attempts to explain the concept of accountability as related to the managers job. However the author believes that for a subordinate to be accountable for results, the follwing conditions must be met:

1. He must thoroughly understand the responsibility or the duty which is delegated to him. This will call for effective communication.

2. He must be capable of doing that duty.

Since it is an accepted premise that people learn by doing, delegation plays an important role in developing any employee.

3. He must have some incentive other than the job alone, to do it willingly. This calls for motivation.

The above conditions are discussed in this section of the thesis.

A. COMMUNICATION

Communication has been defined as "the process of passing information and understanding from one person to another."[52]

Newman and Summer[53] define communication as "an exchange of facts, ideas,opinions, or emotions by two or more persons. "According to Jaques, communication is "the sum total of directly and indirectly, consciously and unconciously transmitted feelings, attitudes, and wishes, communication is an integral part of the process of change."[54]

It is no exaggeration to say that communication is the means by which organized activity is unified. It may even be looked upon as the means by which social energy inputs are fed into social systems. Whether

we are considering a church, a family, a scout troop, or a business enterprise, the transfer of information from one individual to another is absolutely essential. It is the means by which behavior is modified, change is effected, information is made productive, and goals are achieved.[55]

Prompt and accurate flow of information and ideas throughout an organization is crucial; coordinated effort toward common goals is impossible without it. Part of this flow is written; management can especially plan it and incorporate it into formal procedures, form, reports, and the like. Modern communication and computing equipment greatly speeds up this internal distribution of data.[56]

In much of our current organization life, people have learned to mask, hide, and cover up their feelings, particularly those toward people in positions of power and influence. Because of this, it is often difficult for a manager to know what his true impact on others has been. He may see only the polite smile, the ready agreement, the apparent consensus and may assume, falsely, that the external feedback cues really represent the total impact. Sometimes the negative impact a person has is the result of an inability to translate his intentions into appropriate behavior. At other times, the other person's misperceptions lead to undesired consequences. In either case, the manager needs to discern the impact and engage in a process of exploring intentions, behavior, filter, and impact with the goal of reducing negative effects in mind.[57]

It is almost overlooked in the literature that the most effective way to get the things done is through face to face communication, and this is beyond mere verbal communication. Traditionally; speaking and

and writing have been considered the major way to communicate. Study done by Nicholes and Leonard[58] indicates that, the average time in percentage denoted to these means by a manger in the course of a day is as follows:

1. Listening. 32%
2. Body Language (physical gesture). 30%
3. Speaking and talking. 21%
4. Reading. 11%
5. Writing. 6%

It is remarkable, however that virtually all the emphasis is placed on being a good speaker, in the speaker-listener relationship that goes to make up verbal communications, and it is assumed that the listener will receive the message "lound and clear".

As above chart suggests most of the manager's time is spent on listening. The reason for lack of emphasis on listening until recently is because of four widely-held false assumptions regarding listening.[59]

In correcting these false impressions, it is necessary first to understand that listening, like reading, is a skill that can be taught, and the fact we hear almost constantly does not eliminate the need for conscious effort to practice good listening. Second, although there is some correlation between intelligence and listening ability, the two are not directly proportional. Third, neither is hearing loss a major contributing factor to poor listening. Finally, learning to read does not automatically produce good listening habits.

Graham and Valentine[60] state: "the problem which faces all managers in all sectors is not the perennial one of management, to induce people to do something, it is the deeper problem of inducing people to listen at all."

At least three types of listening have been identified: marginal, evaluative, and projective. The speed of listening provides the opportunity for marginal listening, a dangerous type that can lead to misunderstanding of, and even insult to the speaker. Evaluative listening requires the second party to allocate his full attention to the speaker. The excess time is devoted to evaluating and judging the nature of the remarks heard. Often, we are forming rebuttal remarks while the sender is still speaking, thus moving into a type of marginal listening. Instead of one idea being transmitted and held by two people, we often end up with two ideas, neither of which is really communicated to the other. If the listener allocate too much time to disapproving or approving of what he hears, it is doubtfull if he has the time to understand fully. This is particularly true when the remarks are loaded with emotion, or concern the security and status of the receiver.[61]

The third type of listening holds the greatest potential for effective communication.

Real communication occurs, and this evaluative tendency is avoided, when we listen with understanding. What does this mean? It means to see the other person's point of view, to sense how it feels to him, to achieve his frame of reference in regard to the thing he is talking about.[62]

A key word which is important here is empathy. It is defined in Webster's Dictionary:[63] "the projection of one's own personality into the personality of another in order to understand him better;" "ability to share in another's emotions or feelings."

The word empathy is the crux of verbal communication. Rogers and Roethlisberger further stated:[64] listening for understanding is the

most effective agent we know for alternating the basic personality structure of an individual and for improving his relationship and his communication with others. If I can listen to what he can tell me, if I can understand how it seems to him, if I can see its personal meaning for him, if I can sense the emotion flavor which it has for him, then I will be releasing potent forces of change in him.

Rogers and Roethlisberger suggested a rule to be followed to insure some degree of projective listening. "Each person can speak for himself only after he has related the ideas and feelings of the previous speaker accurately and to that speaker's satisfaction."[65]

This is the only way which makes it possible to frame a reply that will actually respond to the speaker's remarks. Batten[66] looks at the other side of communication and suggests what he calls "Batten's Law": "When the communicatee does not understand exactly what the communicator intended, the responsibility remains that of the communicator."

Batten offers the following example:

<u>BEFORE</u>	<u>AFTER</u>
"You don't get what I mean."	"I didn't make myself clear."
"You didn't understand me."	"Apparently I didn't communicate."
"I told you to finish that blue print by the 25th. Didn't you get it straight?"	"I didn't get through to you about that blue print. Let's review what happened and make sure we have no more misunderstanding."

BEFORE	AFTER
"You simply don't get the picture."	"Let's see where this fits in with our over-all plan."

By applying emphatic listening and Batten's rule, we can eliminate most of the barrier's in communicating. Also, a basis for setting mutuall understanding of objectives with employees can be established, and a better understanding of his improvement can be gained.

Nierenberg[67] says: "Almost 90 percent of the information that seems most difficult to obtain can be gotten by a direct approach."

1. Upward Communication

Flow of upward communication is important for a variety of reasons. It provides employees an opportunity to ventilate their feelings--they can compalin and they can submit ideas and suggestions for improvement. As a result they develop a greater sense of participation, feeling that their opinions are valued by management and that they have a chance to influence their work world. Thus, feelings of helplessness and frustration are mitigated, as is the sense of alienation (and, perhaps, even some of the boredom) which permeates so many organizations today.[68]

Study done by Likert shows that, eighty-five percent of the foreman reported that their men felt very free to discuss important matters with them. Only fifty-one percent of the men agreed with this. Faulty perception is not confined to first level supervisors, for ninety percent of top staff officials indicated that the foreman they dealt with felt free to discuss matters with them. However, only sixty-seven percent of the foremans indicated that this was true.(see Figure 3)

Figure 3

Extent to which subordinates feel free to discuss important things about the job with superior-as seen by superiors and subordinates.

	Top staff says about foreman	Foreman say about themselves	Foreman say about the man	Men say about themselves
Feel very free to discuss important things about the job with my superior.	90%	67%	85%	51%
Feel fairly free	10	23	15	29
Not very free	--	10	--	14
Not at all free	--	--	--	6

SOURCE: Rensis Likert, New Pattern of Management. New York: McGraw-Hill Book Company. 1961- p. 47

Many management writers and practitioners have given detailed guidelines for making the conditions right in order to improve upward communications.

Luthans[69] suggests:

1. The grievance procedure.
2. The open door policy.
3. Counseling.
4. Participantive techniques.

5. The obudsman.

Bormann[70] offers:

1. Tell people you want feedback.

2. Specify areas where feedback is desired.

3. Schedule regular feedback sessions.

4. Use silence to encourage feedback.

5. Watch for nonverbal responses.

6. Ask questions.

7. Use statements that encourage feedback.

8. Reward feedback.

Gemmill[71] suggests:

1. Reduce the degree of control the senior has over the junior's personal goals and thereby reduce the fear of being penalized for providing unpleasant feedback.

2. Reward feedback.

3. Reveal some of your own problems and feelings to subordinates.

The common thread that runs through all of these recommended methods is that the manager must actively work for feedback.

The most useful tool any manager can develop is a system that will continually give him accurate information about the actions and behavior of his subordinates within the organization down to the lowest level. To be informed of these activities is one of the keys to assuring compliance of subordinates to instructions of the superior.

2. <u>Downward Communication</u>

In many businesses, little or not effort is made to tell the employees what is being done or why actions are taken. Without adequate communication, actions are often misunderstood, and undesirable rumors

develop. Management actions must be throughly understood by all employees affected by them; if a positive attitude toward management is developed, there is less room for misinterpretation or mistrust of actions.[72]

"Good communication is characterized by providing employees with information they <u>want</u> and getting information to them quickly and through the channels they <u>prefer</u>."[73]

Hachamack and Danielson state that, "managers are almost completely at the mercy of their information since this data is the basis for all the subsequent steps in the decision making process......"[74]

As the above suggests, information is the key factor in decision making, failure of top management to furnish subordinates necessary information leads to poor decision-making.

Mintzberg adds to this with the statement:

"Studies of manager's information flow suggest that managers play a key role in securing "soft" external information, (much of it available only to them because of their status) and in passing it along to their subordinate."[75]

Therefore if top management expects effective decisions from subordinates they should not centralize data banks in their minds.

There are great dangers in such centralizing in the mind of managers of the organization's data banks. When they leave they take their memory with them. And when subordinates are out of convenient verbal reach of the manager, they are at an informational disadvantage. The manager is challenged to find systematic ways to share his privileged information. A regular de-briefing session with key subordinates, a weekly memory dump on the dictating machine, the maintaining of a

diary of important information for limited circulation, or other similar methods may ease in the log jam of work considerably.[76]

In addition, every employee likes to know where he stands. If his performance toward objectives is not discussed periodically, he will be lost in the organization.

Peter Drucker states[77]: "The real strength of feedback information and the major reinforcer is clearly that the information is the tool of the worker for measuring and directing himself. The worker does not need praise or reproach to know how he is doing. He knows."

B. DELEGATION BY RESULTS

The primary purpose of delegation is to make organization possible. Just as no one person in an enterprise can do all the tasks necessary for accomplishment of group purposes, so it is impossible, as an enterprise grows, for one person to exercise all the authority for making decisions.[78]

Most failures in effective delegation occur not because of lack of understanding of the nature or principles of delegation, but because of inability or unwillingness to apply them in practice.

Delegating is, in a way, an elementary art of managing yet studies made of managerial failures almost invariably find that poor or inept delegation is at or near the top of the list of causes. Much of the reason for this lies in personal attitudes toward delegating.[79]

Delegating has been dealt with in the past as if it were as mechanical or logical a process as routing the flow of work. Many recent psychological investigations of ongoing establishments have indicated that delegating involves much more than a logically

constructed organization chart. Human or psychological factors have to be considered, as well as logical and economical factors.[80]

Delegation is, above all, a means of motivating. It is really a form of job enrichment, for it gives each subordinate a sense of being his own boss and exercising control over his work environment. As such it seeks to offset the monotony and lack of authonomy that technology has built into many jobs.[81] In the past we have thought of authonomy as involving the delegation of responsibility and authority to an individual. You might tell an employee he was going to be held accountable and had a certain degree of authority and responsibility for management of his job. But the action of the manager frequently told a different story when he would repeatedly check back to see how the employee was doing. This in effect signals the employee that he does not have total autonomy for the management of his area.[82] So long as you are in direct charge, making all the decisions, giving all the necessary orders, following up closely to prevent the consequences of error, the pressure is off your employees. They have no sense of personal responsibility for results. Whenever you are unable to give direct attention to details, subordinates are inclined to slow down or stop until you give them further instructions. They are accustomed to accepting your decisions and would not presume to act on their own.[83] In applying delegation some organizations have been focusing on activities rather than results obtained, and this change of focus requires a change of attitude. A subordinate must feel free to make a decision on activities. He will not really feel that he has authority if he has to get approval from his boss or review a decision with him ahead of time.

The top executive must concentrate on the morale and drive of the people, rahter than the details of their work, keep in touch with them casually, and you will discover what frustrates them, what they need to do even better, what judgements they are making about the work that they and others are doing. There are no substitutes for genuine interest.[84]

1. Appreciation of Other's Abilities

The following case which is written by Mr. William Given,[85] will explain the most important key principle in delegating.

"In one situation, it became more and more evident that the manufacturing head of a division in our company was making all the decisions for each superintendent. This man had wide knowledge and many other qualifications for his position, yet the plant management was not clicking. For endless months, it seemed, we tried to make clear to him that he would have no security with us until the men under him were given authority. But he was not able to change his habits. We therefore had to change his job.

What accounted for his failure? It was not conceit; he did not have the illusion that only he know what's best. His trouble was that he underestimated the ability of others. In this respect he was typical of so many other men who cannot delegate effectively. It is not overvaluing of self but undervaluing of others that leads to their down fall."

.......all the advice a man can get these days on "techniques" of delegation is not going to get him very far unless he first has an appreciation of others' abilities and potentials. If he has that appreciation he can succeed with a variety of methods; without it he will probably fail no matter what approach he takes.

Successful delegation depends, in part, upon the boss's willingness to let subordinates learn from their mistakes. This does not mean glossing over mistakes or hiding the consequences of mistakes from the person who made them. It does mean demonstrating confidence in the employees' ability to do the job and learn as he goes along.[86]

2. Development of Freedom to Act in Organization

The literature usually misses the point that most delegating is restrictive and demotivating, as is a tight job description. A most important thing is to delegate freedom to innovate, to build the job....

The manager who is expected to act as an enterpreneur must have the freedom to fail without fear of dire consequences. Making a mistake is not a crime, and the lessons learned often build the foundation for greater successes in the future. The nature of the failure, however, is important: failure is healthy only when the manager "fails forward" that is, when he makes his best effort and does not fail betcause of lack of commitment, plan, or effort.[87]

Schleh states[88]: "A common mistake is to look at authority simply from the management's point of view and to consider it as the "right to command." This theory suggests that, a man has authority whenever his superior gives it to him. Such an approach entirely ignores the fact that authority is developed over a period of time by actual practice and experience. Authority is meaningless until the man on the job feels that he has it -- that he has the right to make decisions." Schleh's solution to this problem is as follows. "How do you get a man to feel that he can make decision? Usually by helping him lose his fear of making errors. How can you alliviate the fear of making an error? Generally, by applying what we call the rule of error:

If a man has the responsibility for results, he should be permitted to make the normal errors expected in making the normal decisions necessary to achieve those results."

3. Entrust

The key to the meaning of delegating is in the word entrust. To entrust to, or delegate to a person is (a) to surrender the detail to him, (b) with confidence in his ability to do it. This is quite different from: "If you'll just do what you're told to, we'll get along fine." The degree of delegating depends upon the amount of entrusting shown, not upon the size of the project.[89]

Whenever we imagine we are delegating, we should ask ourselves two questions which will show whether we are actually entrusting the detail to the other person:

1. Am I really letting him do it (surrender) or am I keeping strings attached, or criticizing him, or holding back authority, which hampers his freedom to decide and take suitable action?

2. Am I at ease about his ability to do it faithfully, or did I delegate too much too soon, or to a person I doubt may be able to do it properly?

If we don't entrust, we are assigning not delegating.[90]

4. Eliminate Fear of Criticism

This is very important in creating the management climate. Fear of criticism can subdue vision, can wet-blanket enthusiasm. All men are sensitive, and the most visionary are the most sensitive........ Crawford offers this example:

"I asked a young manager who had reached the top quickly what single thing helped him most in his rather brilliant career. He thought

awhile, then said, "one thing stands out: I could think out loud with my superiors. I could throw out crazy suggestions. I could talk over any subject without fear that I would be squelched. It had more effect upon my development as a manager than anything else."[91]

5. Instill the Habit of Decision-Making

Often a subordinate finds it easier to ask the boss than to decide for himself how to deal with a problem. Decision-making needs, experience, judgement and a knowledge of the situation from a background of facts.

Menzies Black says[92]: ".....when an employee comes to you with a problem and asks for advice on what to do, question him. Your questions should lead him through the basic steps in decision-making. Finally he will come to the threshold of a solution. Then you can say, ' we have reviewed the question. All the facts are before us. What would you do?'"

The advantages of this questioning is that the employee will develop his ability and will think and use his initive for solving the problem. This way may seem time consuming for the first time, but later, employee most probably will come up with solution in similiar situations without bothering the boss. Black[93] further concludes that: "in effect, you are giving your subordinate plenty of rope, but are making certain he doesn't hang himself before he learns how to use it."

6. Control Means Understanding

One cannot expect a good manager to delegate authority without some way of knowing whether it will be used properly or not. In the first part of this thesis the emphasis was on the clarification of the job of the manager, his limitation of authority. His role relationships

in the organization as it relates to company policy, and all necessary information which he needs to perform his job were defined. The next step is to develop some means of control to find out primarily the significant deviations from goals and plans.

Since do-motivating supervisory styles are to be avoided, you should try to create the kind of office climate in which your subordinate will keep you informed of progress. At the same time, when you give him something to do you don't expect him to be at your desk every fifteen minutes or so with interim reports. Use more subtle methods. You get the "feel" of things through your talks with people. These conversations enable you to keep your finger on what's going on in an easy, informal manner. Your subordinate tells you how he is getting along on his assignments because he wants to keep you up-to-date, not because he thinks you are playing policeman.[94]

Appreciation of other's abilities, freedom to act in the organization, entrusting, elimination of fear of criticism, and over control, are the most important principles in the art of delegating, however we have to bear in mind that the manager can delegate responsibility, but accountability cannot be delegated, if we were to abondon this principle that a man cannot delegate accountability there would be no way of knowing who was accountable for what.

Menzies Black[95] suggests several self and organization examination questions which might be considered by any manager when he applies delegation. Considerations brought forth serve as effective reminders and guides for the objective minded manager in his relationships with others in his organization. His suggestions for measuring one's delegation effeectiveness are shown in Figure 4.

Figure 4

BLACK'S SELF-EXAMINATION FOR

MEASUREMENT OF DELEGATION EFFECTIVENESS

1. I provide my subordinates with complete information on company policy and procedure as it relates to their jobs before I give them an assignment. Yes___ No___

2. I define precisely the limits of a subordinate's responsibility, and satisfy myself that he has the same understanding of those limits that I do before I permit him to go ahead on his own. Yes___ No___

3. When I delegate an assignment I don't then forget about it. I follow up to see how it is done. Yes___ No___

4. I explain the principles of decision-making to my people, but in matters that are their responsibilities I do not make the decisions for them. Yes___ No___

5. I try to develop the initiative of my subordinates so that they will be able to cope with emergency situations when they may have to act entirely on their own. Yes___ No___

6. I do not criticize employees for mistakes they may have made in handling emergencies or unusual problems. I try to correct their errors through patient explanation. Yes___ No___

7. I am always willing to give help to a subordinate who must make a decision, but I don't try to teach by giving answers. I endeavor to show an employee how to find the answer on his own. Yes___ No___

8. Except in grave emergencies, I do not countermand an employee's orders openly, for I don't want him to lose face. When his decision must be reversed I tell him privately and let him make the necessary change himself. Yes___ No___

9. A subordinate can count on my backing. I do not permit employees down the line to go over the head of their own boss to get a decision changed. Yes___ No___

10. I take the responsibility for all decisions made in my department. When an employee makes a mistake he is accountable to me, and I am accountable to higher management. When something goes wrong I do not try to excuse myself by laying the blame on the people who work for me. Yes___ No___

C. MOTIVATION

A few years ago, the Carnegie Institute of Technology completed a two year study of business and industry. According to this study, eighty-seven percent of a business-man's success depended upon his leadership and skill in handling human relations, while only thirteen percent depended on his technical knowledge.[96]

Somehow, in the limbo of modern business, it has become unfashionable to reveal a strong desire for greater personal fulfillment. Talking and writing about dollars, equipment, memos, and charts have often been an escape from the stark realization that business enterprises--

1. Were established in response to human feelings.
2. Exist to satisfy human feelings.
3. Will be dynamic or static because of human feelings.
4. Will succeed or fail because of human feelings.[97]

Because work is done only by people, one of the basic probems in any society is how to motivate people to work?

Professor Roethlisberger says: "......It is my simple thesis that a human problem requires a human solution. First, we have to recognize a human problem when we see one; and, second, upon recognizing it, we have to learn to deal with it as such, and not as if it were something else. Too often at the verbal level we talk glibly about the importance of the human factor; and too seldom at the concrete level of behavior do we recognize a human problem for what it is and deal with it as such."[98]

The key to human relations as Roethlisberger suggests is: to know and to understand the problems of people, and then to apply that understanding toward alleviating the problem.

By selecting those theories most relevant to the application of motivation by managers, this chapter will explain, how the research and study of academicians has developed some realistic guidelines for the practicing manager, who, after all, must be concerned with knowing just what it is that motivates different people to do different things at different times.

The presently accepted theories of motivation recognize that individuals work to fulfill a variety of needs, not one kind; and as man matures and encounters experiences and various environmental stimuli, his needs, perception and attitude change. These needs, as described by Abraham Maslow and others are:[99]

1. Physiological (thirst, hunger, and sex).
2. Safety (security and health).
3. Social (identity and affection).
4. Egoistic (prestige, esteem and self respect).
5. Self-fulfillment (desire for personal growth).

Zalenznik and Christensen and Thlisberger put it this way:

"Once his basic needs for food, clothing and shelter are satisfied, man wants friends and to get folksy and groupy. Once these needs for belonging are satisfied, he wants recognition and respect from his fellow men and he wants to achieve independence and competence for himself. And once these needs for status and self-esteem are satisfied, he seeks for self fulfillment, for freedom and for higher and higher modes of adjustment and adaptation."[100]

Figure 5 presents an overall view of how an individual's needs structure functions:

<u>Figure 5</u>

CONCEPTUAL VIEW OF MANAGEMENT
TO IMPROVE INDIVIDUAL
EFFECTIVENESS

Personality (Personality Theory)
Self-image
Self-structure

INDIVIDUAL'S NEEDS ------------------- NEED SATISFACTION --------> HIGH EXPECTATION OF NEED SATISFACTION THUS HIGH MOTIVATION

(Maslow
Herzberg
McClelland)

Climate/
Environment
(Argyris
McGregor
Likert
Blake)

SOURCE: Glen H. Varney, <u>Management By Objectives</u>. The Dartnell Corporation, 1971- p. 65

Figure 6 shows Maslow's hierarchy of needs and how Fredrick Herzberg has added Maslow's concepts of the individual in an organization.

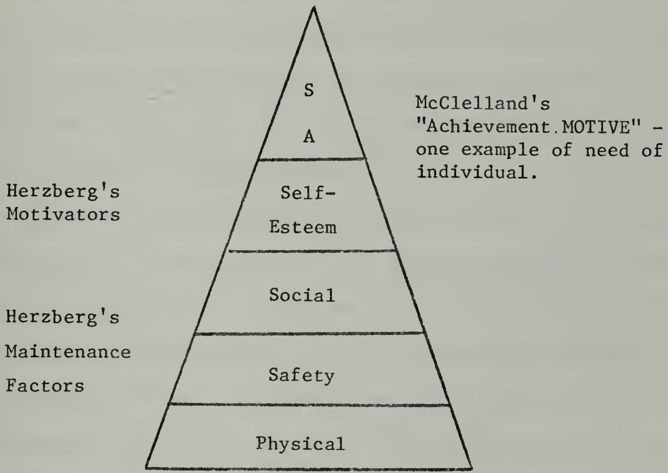


Figure 6

THE NEEDS HEIRARCHY

SOURCE: Glen H. Varney, Management By Objectives. The Dartnell Corp. 1971- p. 65

Maslow pictures each successive need as emerging after a prior need has been satisfied. This is not to imply that one need must be one hundred percent satisfied before the next one takes over, nor that each emerging need shows up suddenly like a jack-in-the-box. Usually the previous need is only partially satisfied before the mergence, bit by bit, of new-felt need.[101]

McGregor, like Maslow, believes that as soon as one need is satisfied, another takes it place. More important, the idea that he stresses is that a "satisfied need is not a motivator of behavior.[102]

Because the lower level needs are normally satisfied relatively easily, the needs which are the most important to both the individual and to the organization are the egoistic needs: those that relate to one's need for self-esteem, for self respect and self confidence, for autonomy, for achievement, for competence, for knowledge; for those that relate to one's needs for status, for recognition, for appreciation, and for the deserved respect of one's fellows.[103]

Argyris attempt to explain some "Basic causes, i.e., The why, of human behavior in organization."[104] Argyris says that in order to make that understanding a reality men must first realize that "it is impossible to understand others unless we understand ourselves."[105]

Herzberg[106] has studied attitude to determine what assumptions about human behavior could be made. His motivation-hygiene theory resulted from his analysis.

Herzberg found that experiences which create positive attitude toward work arise from job itself. When people felt disatisfied with their jobs, they were concerned about the environment in which they were working. But, if people felt good about their jobs, it related to the work itself.

The environmental factor or dissatisfier as he suggests are: company policy and administration, supervision, working conditions, interpersonal relations, salary, job security, and personal life; if they are high in quantity or quality they yield no dissatisfaction, nor satisfaction.

The job content factors are: achievement, recognition, work, responsibility, advancement, and growth. Their quality will yield feeling of satisfaction or no satisfaction (not dissatisfaction.)

The first group has been called "hygiene" or "maintenance" factors.

Their presence will not motivate subordinates, yet they must be present or dissatisfaction will arise. The job content factors are the real motivators, because they have the potential of yielding a sense of satisfaction.

Rensis Likert in New Pattern of Management suggests a management systems approach to leadership in organizations. He assumes that all management fits into one of the following styles:

System 1 - Management has no confidence or trust in subordinates.

System 2 - Management has a condescending attitude toward subordinates.

System 3 - Management has substantial but not complete trust. There is a moderate amount of superior-subordinate interaction, and a fiar amount of confidence and trust. A "reasonably well motivated" worker results from such a system.

System 4 - Management has complete confidence and trust in subordinates. Workers consequently are motivated by participation and involvement in developing economic rewards, setting goals, improving methods, and appraising progress toward goals.[107]

Likert is a strong proponent of participantive management. He sees the effective manager strongly oriented toward his subordinates. He says:

"We are consistently finding that there is a marked relationship between the kind of supervision an employee receives and both his productivity and satisfactions which he derives from his work. When the worker feels that his boss sees him only as an instrument of production, as merely as a cog in a machine, he is likely to be a poor producer. However, when he feels that his boss is genuinely interested

in him, his problems, his future, and his well being, he is more likely to be a higher producer."[108]

There are almost unlimited numbers of works which have been done on motivation for which space is not available here. However, this discussion has attempted to show that it is of great importance for the manager to be aware that he is dealing with people, not with mere cogs in a machine, and the more he knows about how they work, the more successful he will be. Proceeding pages suggest that the process of motivation is actually a process of satisfying basic human needs, particularly those needs concerned with human ego and self-fulfillment. How then, can the organization provide opportunities for employees to satisfy these needs, thereby developing motivation?

The answer to the problem is that we must get to know employees as persons, and personally. It is not enough to call a person once a year for progress, or to study his reports. While it is easy to know in time how much a person knows his job, it is difficult to know his personal side, his motivations, desires, likes, weaknesses. Your influence on a man can be only skin deep unless you know something about the drives and values that make him unique as an individual.

All this becomes more important than ever if management stresses decentralization of responsibility. In fact, the suggestion has been made that a condition of making "bottom-up" management work is top-down understanding.[109]

This chapter might be appropriately concluded with a quotation from Richard Brown.[110] He states: "Every one needs to feel he counts for something. If you recognize that need in dealing with people, you will learn to get along with them. Simply show by your reactions that

you know the other fellow is quite a person, and watch his response. Lord Chesterfield told his son, 'Make the other person like himself a little bit more and I promise you that he will like you very much indeed,' This is one of the most valuable keys to successful human relations. Use it to make additional friends, to get more cooperation, to add magnetism to your own personality."

IV. MANAGEMENT BY OBJECTIVES

The foregoing has treated accountability, what is is, conditious contributius to increased accountability, and how it can be used to increase the effectiveness of people. This chapter makes use of the elements of accountability by showing how it can contribute to ever improving managerial performance. It uses the concept of "Management by Objectives" as the vehicle for this.

A. WHAT IS MANGEMENT BY OBJECTIVES?

Management by objectives is a management concept that has had increasing acceptance since Peter Drucker's writing on management by objectives and self-controls in his 1954 book, The Practice of Management. Six years later, Douglas McGregor wrote about two sets of assumptions theory X and theory Y in the Human Side of Enterprise. According to the theory Y, "Man will exercise self-direction and self-control toward achieving objectives to which he is committed," and "commitment to objectives is a function of the rewards associated with their achievement." These two classics by Drucker and McGregor provided the foundation for the development of this innovative management concept.[111]

Odiorne describes MBO as follows:

"The system of management by objectives can be described as a process whereby the superior and subordinate managers of an organization jointly identify its common goals. Define each individual's major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contribution of each of its members."[112]

Raia describes it as:

"Management by objectives is a dynamic system, which seeks to integrate a company's need to clarify and achieve its profit and goals with the manger's need to contribute and develop himself. It is a demanding and rewarding style of managing a business."[113] Like almost everthing else in the world, "management by objectives" comes in all sizes, all colors, and all shapes. Academicians and consultants have packaged and sold it under many different labels, a few of which are "management by results". "Management by objectives and results" "management by goals and results" and "individual goal setting". Practitioners have spawned "goals and controls (GAC)," "work planning and review (WPR)," "objectives, strategies, and tactics (OST)," "charter of accountability concept-hughes (COACH)," and a host of other acronymic, personal receiptes.[114]

Reddin states:

It is entirely appropriate that MBO should mean different things to different organizations. If an organization is good at planning but poor at operating, its use and view of MBO will be somewhat different from those of an organization in the opposite position.[115]

Different authors have different views on management by objectives, but as Anthony Raia states:

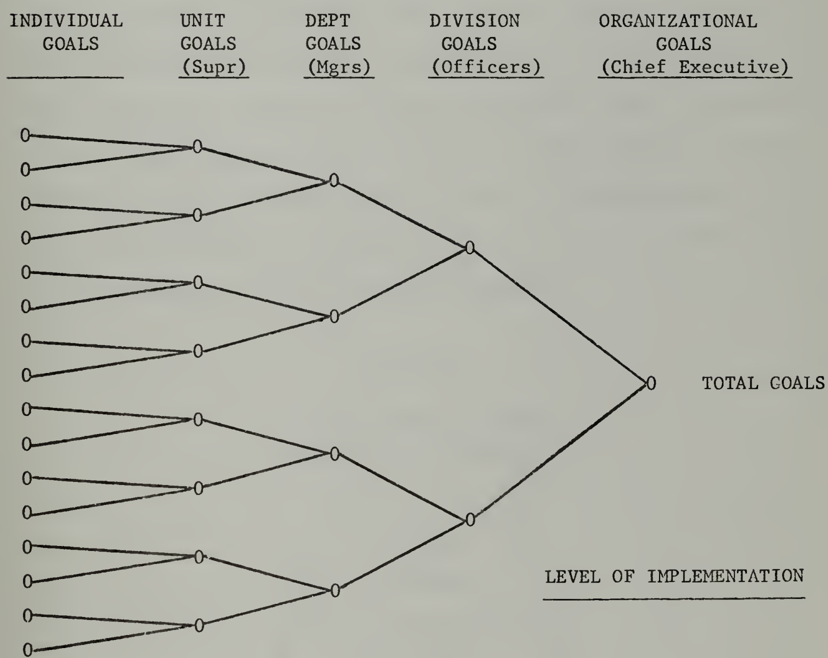
"There is no one best way to manage by objectives each system, each program, must fit needs and circumstances of a given organization."[116]

Most of the terminology which is applied and the definitions used to describe MBO refer essentially to one process: that is, deciding where it is you want to go (goal) and then finding some way to reach the goal. Part of the definition includes some way of quantitatively

defining the target, so that it can be measured when it is reached.[117] Figure 7 shows Varney's concept of goal implementation levels.

Figure 7

LEVELS OF GOAL IMPLEMENTATION

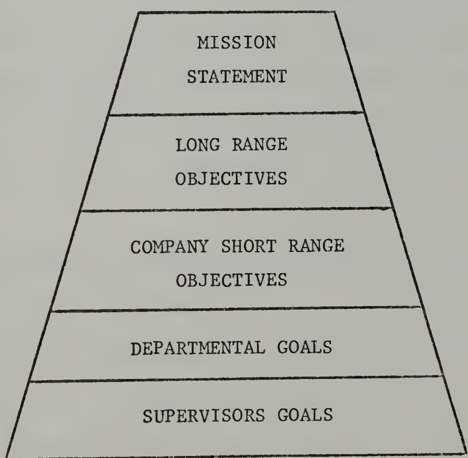


SHOURCE: Glen H. Varney, Management By Objectives, The Dartnell Corporation, 1971- p. 4

An operational view of management by objectives is shown in Figure 8. In this figure, the mission statement derives from the corporate overall charter. It treats the subjects of; why we are here, what contributes to corporate policy, etc. The mission statement is more than a long range goal. It is the very reason for being. Long range objectives have to do with goals or anticipated accomplishments which are more than a year away. Five years are common. These may also be called strategic goals. Company short range objectives are a year or less away. Typically they are statements of goals anticipated to come to pass within a short time such as a month, quarter, or year. Departmental goals may number ten to fifteen to each department. They tend to be short range. Supervisors goals tend also to be short range and might number six to eight for each supervisor.

Figure 8

AN OPERATIONAL VIEW OF
MANAGEMENT BY OBJECTIVES



A 1968 study done by Wikstrom[118] indicates that precisely what is done in managing by objectives and appraising by results varies with each company. However, three stages seem to be common as effective management by objectives systems evolve.

1. Individuals and their bosses, at all levels, determine, agree upon, and state very precisely those specific results that are to be accomplished by some designated future date, either by the individuals or by the units they manage.
2. Individual go to work to achieve their objectives, presumably fired up with enthusiasm because, in the process of developing their objectives, they have become sincerely committed to achieving them.
3. At whatever times are designated for reviewing performance, the results achieved by units and by individual managers are measured against the objectives that were set previously.

B. PITFALLS AND TRAPS IN MANAGEMENT BY OBJECTIVES

Eighty-three percent of U.S. Business firms manage by objectives. That is the finding of a national survey of various sized companies reported in Administrative Management in the summer of 1973. One has good reason to be skeptical of this statement. All it really says is that more than eight out of ten managers say their firms manage by objectives.

Because Management By Objectives is a system that provides a sensible way of managing, it is a popular idea.

No one denies that management by objectives has made a major contribution to better management in the past fifteen years. However, few doubt that there has at times been wrong emphasis and poor perceptions

which have led to dissapointment and failure. It is timely to see what common patterns of mistakes have emerged in the United States and elsewhere so that we may profit from our mistakes.[119]

The purposes of the following pages is to discuss some of the pitfalls and traps of MBO. The awareness of these will leave us with fewer uncertainties, thus helping to develop our sensitivities to areas where we can fall prey to the system. The assumption is made that the problems are not with the system itself, but with the incomplete or faulty application of them[120] Wikstrom concludes that some organizations have adapted MBO as a basic management philosophy and have followed the principles whereever they might lead. They lead to changes in job assignments and reporting relationships, changes in the ways in which decisions are taken and in the men who are involved in the decision process, changes in the availablity of information throughout the structure, and changes in the spirit of employee groups at all levels. Management by Objectives has proven to be fantastically difficult, time comsuming, and frustrating to implement, yet the results can be extremely valuable.[121] Some of the pitfalls encountered in implementing MBO are discussed as follows.

1. Faulty Implementation

Reddin states: "A strength and weakness of MBO is that it appears to be so obvious and simple to introudce. While there have been successful implementations, by far the majority of attempts end in what must be called failure. Many firms in the United States, the United Kingdom, and Canada claim to be using MOB when insiders could tell another story."[122]

Implementation appears to be the most critical phase of an MBO program.

An improper MBO planning scenario is likely to occur as follows. Top management feels a need to use MBO but is not clear about why. They either call in a consultant and use his 'brand' of MBO or else order a subordinate to copy someone elses successful MBO plan. The consultant or the subordinate typically ignore diagnosing organizational needs and the requirement that MBO should be tailor-made for each organization. Consequently there is likely to be lack of integration between organizational need and what is to be provided by the MBO package. The program is doomed from the start.[123]

The symptoms here are that they are looking for plans from other companies and pick up exactly the wording and general format, as well as the critical responsiblities of other jobs, trying to make one plan or one set of objectives fit all jobs. This presumes that all jobs of the same type have the same objectives. (This ignores the fact that an employee must develop his own plan which will assure its originality before he can be accountable for results.)

2. Adequate Unfreezing

"Unfreezing" is the single item missing most often from current MBO implementations. The idea behind unfreezing is that if you want to change something you must first loosen it up. MBO is a powerful change catalyst but it needs some behavioral ssistance to induce flexibility into an organization thus preparing a way for the arrival of the many proposals for change which MBO inevitably brings. Without unfreezing, managers at most, accommodate to MBO. They do not engage it.[124]

Businessmen who immerse themselves in matters that are more efficiently handled by others usually kill themselves with details.

They do not realize that delegating assingments to others helps build an imaginative, self reliant, and effective management team. The complete manager should be a generalist who concieves or learns about an idea or conept, then delegates the necessary follow-through to someone else.[125]

As stated earlier, development of freedom to act in organization is the most important principles in delegating. Authority is developed over a period of time by actual practice and experience. Authority is meaningless until the man on the job feels that the has it-that he has the right ot make decisions. This does not mean that man has authority wherever his boss gives it to him.

Again this problem is in conclict with concepts of accountability. As it was assumed earlier, you cannot make a person accountable when he does not have freedom to act or freedom to make decisions.

3. Setting Objectives

Objectives setting procedures, and qualifications which must be met in this regard, were discussed earlier in this thesis. However, at this point it is worthwhile to note that the theory that the subordinate sets goals by himself (or jointly with his boss) may in practice turn out to be illusory. It depends on whether the non-directive approach required for by goal-setting by the subordinate is consistant with the boss's ordinary management style. The boss who regularly consults with his subordinates finds this new approach to appraisal quite easy. Not so the boss who is directive and never takes the time to listen.[126]

Another point worth noting is that when an individual knows that his boss is the one who hands out rewards, he may look anxiously for

some indication of what the boss think are proper goals. Once these become clear, he will quickly adopt them with enthusiasm. Indeed some subordinates might prefer that their boss indicated his wishes frankly from the start, instead of making them to through guessing games.[127]

With organization wide goal-setting, the individual's freedom to set his goal is sharply reduced. If top management sets a goal to increase production by 15 percent, a foreman can only suggest means of reaching that goal.[128]

There is a tendency to try to quantify all objectives. This may encourage the covering up of poor performance, actual data, or setting of low goals. Since some persons may try to make themselves look good, and cooporation is thus discouraged. A sense of accountability will minimize the above problems. As stated earlier, "the greatest responsibility of a manager is not to his boss but to the company. His performance, and criteria by which it is judged, should be oriented to company goals."

4. General Problems and Pitfalls

Perhaps the most comprehensive listing of pitfalls compiled to date is contained in article written by McConkey.[129] Because of its completness, it is given below as an aid to the reader:

1- Considering MBO a panacea.

2- Lacking participation by subordinates in setting objectives.

3- Leaving out staff managers.

4- Delegating executive direction of the program.

5- Creating a "paper mill" with forms and procedures.

6- Failing to provide feedback to the individual manager.

7- Emphasizing techniques over the system.

8- Implementing too quickly.

9- Failing to reward performance.

10- Having objectives which are not supported by adequate plans.

11- Failing to revise the system based on experience.

12- Being impatient for results.

13- Endeavoring to overquantify objectives.

14- Stressing objectives instead of the system.

15- Dramatizing short term objectives.

16- Omitting periodic reviews of performance.

17- Omitting refersher training with respect to refinements and managers new to the system.

18- Failing to blend individual objectives into the whole.

19- Managing with necessary "guts".

20- Lacking ability or willingness to delegate.

Most of the important pitfalls listed above were discussed earlier in this thesis. However, before concluding this section, it seems appropriate to reiterate that success in avoiding the pitfalls is largely dependent on the sense of accountability of people involved, without it, there is no guarantee for success.

V. CONCLUSIONS AND SUMMARY

> "I see signs that management is recognizing that in this age of complex systems and equipment, the major variable-the difference between satisfactory and superior performance-lies in how well people are utilized and allowed to contribute. The need is to employ the whole person usefully-the mind as well as the body."[130]
>
> Stanley Peterfreud

The basic concepts of accountability were presented earily in the paper. In the second part the emphasis was on clarifying roles and responsibilities around group and individuals objectives. This was done because individuals must clearly understand the what's, where's, when's, how's, who's and why's of their jobs before they can really contribute to the company goals. The third part treated the human side of problems, and presented the stimuli that a manager can use to achieve productive behavior in an organization.

Almost all the references for this paper were addressed to management by objectives. There is no intent here to under-value the system of Management By Objectives (MBO). Rahter the intent is to suggest some ideas based on existing management theory, research, and experience to facilitate the application of this dynamic system. In the titles, "Management By Objectives" and "Management By Results", the worlds "Objectives" and "Results" are impersonal. The concept of accountability is a much more personal thing, and is, after all, the

thing that causes objectives to be achieved. This was the reason for choosing the title "Management Through Accountability".

In conclusion, as Black suggests: "no company can afford to have even one employee on its payroll who is not "paid to do the thinking". The cost in inefficiency, in wasted time, is too great. Therefore, the primary task that faces the executive or supervisor is to build an aggressive, self-confident working team, each member of which not only understands the objectives of his group and the goals of his company but also has a feeling of personal accountability for the accomplishment of both."[131]

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